



NEWS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
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Jewish Business Owner and Spinka Charity Participant Sentenced for Obstructing the IRS

Los Angeles – A participant in the Spinka charity scheme was sentenced on Monday for obstructing the IRS and hiding over \$3,000,000 in business income and customer rebates.

Elliot Rubin, a part owner of DF & RW, Inc., doing business as F&W Food Services ("F&W"), a food distribution company headquartered in Los Angeles County, was given his sentence by Federal District Court Judge John F. Walter.

As outlined in Rubin's plea agreement with the United States Attorney's Office, F&W received business income from rebates provided by various major food suppliers ("purchase-rebates"). F&W also paid rebates to its customers ("sales-rebates").

During tax years 2003 through 2007, some of F&W's customers requested their sales-rebates be paid to certain charities, including a group of religious charities operating under the umbrella of Spinka. The Spinka charities were affiliated with Orthodox Judaism and headed by Grand Rabbi Naftali Weisz.

As alleged in US v. Weisz, Weisz and others conspired to secretly refund to Spinka donors a significant portion of their nominal donations. In so doing, Weisz and Spinka facilitated tax evasion by assisting donors in claiming tax deductions for their nominal donations, when in reality the actual amount donated were typically smaller than 20 percent of the nominal amount.

To help hide the sales-rebates F&W paid to Spinka on behalf of its customers, Rubin and other principles at F&W diverted F&W's purchase-rebates and other

checks to a factoring company. Rubin then directed the factoring company to disburse checks to Spinka and other charities as requested by F&W's customers.

To further cover-up their involvement, Rubin and other principles at F&W agreed to keep these transactions off of F&W's books and corporate tax returns, in an effort to conceal from the IRS the payments to Spinka.

Rubin, who is 60 years old, was ordered to serve three months home detention, three years of probation, pay a fine of \$25,000, and perform 250 hours of community service. Additionally, Rubin paid to the IRS approximately \$106,000 in back taxes, penalties, and interest to resolve a civil audit of his 2004 through 2007 income tax returns.

The case was investigated by IRS Criminal Investigation and the United States Attorney's Office in Los Angeles.

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